

INDUSTRY CIRCULAR

DEPARTMENT OF
THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

Washington, D.C. 20226

Number: 74-14

Date: 11/13/74

RIDERS TO APPROVED FORMULAS FOR RECTIFIED PRODUCTS AND WINES

Proprietors of Distilled Spirits Plants,
Bonded Wine Cellars, and
Others Concerned:

Purpose. The purpose of this circular is to advise you that ATF Procedure 74-2 will be published in an early issue of the ATF Bulletin. It provides new guidelines for the filing of riders to formulas previously approved on Forms 27-B Supplemental, Formula and Process for Rectified Products, and Form 698 Supplemental, Formula and Process for Wine. The procedure will read substantially as follows:

Background. The regulations pertaining to distilled spirits and wine formulas provide that a rectifier or proprietor of a bonded winery may file a rider to effect a change in a previously approved formula or process; except that changes which alter the class and type of the finished product, or alter the character of a wine product; and changes affecting the rate of tax, standard export drawback rate (if established), or labeling of a wine or rectified product necessitate the filing and approval of a new Form 27-B Supplemental or Form 698 Supplemental.

In the past, this Bureau has required a rectifier or wine producer to file a new Form 27-B Supplemental or Form 698 Supplemental where more than three riders have been filed with the original approved formula. Once an approved formula is superseded by a new formula, the original formula shall no longer be used and must be surrendered to the Director. Consequently any label approval issued in conjunction with the superseded formula becomes obsolete.

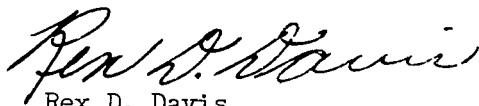
Single Cumulative Rider. In order to facilitate the handling of riders and avoid the obsolescence of label approvals when a formula having more than three riders is superseded, the Bureau now requires a rectifier or wine producer to file and maintain no more than one rider to an approved formula. Thus, to

effect a change in a formula previously amended by a rider or riders, a rectifier or wine producer must file a new rider which will supersede all previous riders and incorporate the changes made by prior riders with the desired additions and deletions.

Preparation of Riders. Riders shall continue to be submitted on the proprietor's letterhead stationery in accordance with the provisions of 26 CFR 201.425 for rectified products or 26 CFR 240.385(b), 240.441(b), 240.465(b), 240.482(b), and 240.513(b), for wine products (including 26 CFR 240.446 and 240.485(a)), as applicable. Each rider shall clearly identify the original formula by number, date of approval, name of the product, and by name and number of the distilled spirits plant or bonded wine cellar. In addition, each rider shall identify any previous rider(s) by date(s) of approval and incorporate any changes made by the prior rider(s) with the additions and deletions desired. These cumulative riders shall be signed and processed in the same manner as the original formula.

Effect on Approved Formulas. All presently approved Forms 27-B Supplemental and Forms 698 Supplemental and all riders thereto are not immediately affected by this new procedure. Any subsequent change by rider, however, will necessitate the submission of one cumulative rider which will supersede any and all prior riders. All superseded riders will be considered obsolete and must be surrendered to the Director in the same manner as a superseded formula, although under this procedure the formula itself will not need to be resubmitted solely because of the number of subsequent riders filed.

Inquiries. Inquiries concerning this circular should refer to its number and be addressed to the Assistant Director, Regulatory Enforcement, Bureau of Alcohol, Tobacco and Firearms, 1200 Pennsylvania Avenue, N.W., Washington, D. C. 20226.


Rex D. Davis
Director

Department of the Treasury
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